Declaration of North Bengal as Tax Free Zone

3556. SHRI TARINI KANTA ROY: Will the Minister of FINANCE be pleased to state:

(a) what are the basic criterion for declaring any area as Tax Free Zone;

(b) whether the Central Government have received any proposal to declare North Bengal as Tax Free Zone; and

(c) if so, what steps have been taken so far on this proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The broad parameters that are considered while declaring a State as a Tax Free Zone are industrial backwardness, per capita income, level of investment, market access, infrastructural backwardness, geographical accessibility, etc.

(b) Yes, Sir.

(c) Area-based tax concessions result in diverting investments from one region to another without any incremeatal investment. Such concessions have been severely criticized by other States that have not been extended this facility as they result in capital flight. Therefore, proposal to declare North Bengal as a tax free zone is not acceptable.

Illegal orders passed by office of Central Excise Department, Patna

†3557. SHRI MANGANI LAL MANDAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that as the post of Commissioner, in the office of Commissioner, Central Excise Department, Patna often remains vacant, during the past ten years, several serious unconstitutional/illegal orders have been passed by the additional/dual charge Commissioners in execution of their statutory obligations and duties.

(b) whether it is a fact that the order issued by such additionai/dual-charge Commissioners to dismiss over half a dozen incumbent and penalize

†Original notice of the question was received in Hindi.

them has been declared unconstitutional and illegal *vide* an appellant decision; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No instance have come to notice where the Appellate Tribunal questioned the constitutionality of orders passed by the additional/dual charge Commissioners in execution of their statutory obligations and duties under the Central Excise Act, 1944, Customs Act, 1962 and Finance Act, 1994;

(b) Three major penalty orders have been passed in disciplinary cases by such additional/dual-charge Commissioner. In one case order has been modified in appeal to the extent of modification of penalty of dismissal to that of reduction in rank to the next lower post for a period of one year. In the other case in *de novo* proceedings the penalty of removal of service has been modified to the extent of reduction in pay scale by one stage for four years while in the third case the Appellate Authority, *vide* order dated 13th February, 2007 has directed review of the order-in-original passed by the disciplinary authority.

(c) As in (a) and (b) above.

Reduction of execise duty

†3558. MISS ANUSUIYA UIKEY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that maximum taxes are imposed in India as indirect tax on commodities;

(b) whether the CI! has suggest/given memorandum to Government to reduce the excise duty; and

(c) whether the excise duty, on the food precessing items, pesticides, less power consuming TFL fans etc. will be reduced?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Goods manufactured/produced in

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